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**GAMEONE HOLDINGS LIMITED**

**智傲控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8282)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Gameone Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2023, together with the unaudited comparative figures for the corresponding periods in 2022 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>Revenue</b>	5	<b>47,866</b>	21,029	<b>77,359</b>	39,922
Cost of services rendered		<u>(38,120)</u>	<u>(11,966)</u>	<u>(61,765)</u>	<u>(21,327)</u>
<b>Gross profit</b>		<b>9,746</b>	9,063	<b>15,594</b>	18,595
Other income	5	<b>470</b>	377	<b>1,223</b>	466
Selling expenses		<u>(4,569)</u>	<u>(7,168)</u>	<u>(7,291)</u>	<u>(12,830)</u>
Administrative expenses		<u>(11,895)</u>	<u>(3,269)</u>	<u>(19,362)</u>	<u>(7,987)</u>
Operating loss		<u>(6,248)</u>	<u>(997)</u>	<u>(9,836)</u>	<u>(1,756)</u>
Finance cost		<u>(11)</u>	<u>(4)</u>	<u>(25)</u>	<u>(9)</u>
<b>Loss before income tax</b>	6	<b>(6,259)</b>	(1,001)	<b>(9,861)</b>	(1,765)
Income tax expense	7	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Loss for the period</b>		<u><b>(6,259)</b></u>	<u>(1,001)</u>	<u><b>(9,861)</b></u>	<u>(1,765)</u>
<b>Other comprehensive (expenses) income</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference on translation of financial statements of foreign operations		<u>(25)</u>	<u>611</u>	<u>(394)</u>	<u>1,102</u>
<b>Other comprehensive income (expenses) for the period</b>		<u><b>(25)</b></u>	<u>611</u>	<u><b>(394)</b></u>	<u>1,102</u>
<b>Total comprehensive (expenses) income for the period attributable to owners of the Company</b>		<u><b>(6,284)</b></u>	<u>(390)</u>	<u><b>(10,255)</b></u>	<u>(663)</u>
<b>Loss per share</b>					
— Basic and Diluted (expressed in HK cents per share)	9	<u><b>(2.61)</b></u>	<u>(0.63)</u>	<u><b>(4.11)</b></u>	<u>(1.0)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2023*

		As at <b>30 June 2023</b> (Unaudited) <i>HK\$'000</i>	As at 31 December 2022 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	520	415
Intangible assets	<i>11</i>	13,866	15,670
Right of use assets		1,622	2,263
		<b>16,008</b>	18,348
<b>Current assets</b>			
Trade receivables	<i>12</i>	4,604	4,349
Prepayments, deposits and other receivables		11,561	12,550
Financial assets at fair value through profit or loss		2,084	1,553
Cash at banks and on hand		17,894	27,306
		<b>36,143</b>	45,758
<b>Current liabilities</b>			
Trade payables	<i>13</i>	2,863	1,867
Accrued expenses and other payables		5,171	4,996
Contract liabilities		8,083	10,315
Tax payable		77	77
Lease liabilities		1,302	1,286
		<b>17,496</b>	18,541
<b>Net current assets</b>		<b>18,647</b>	27,217
<b>Total assets less current liabilities</b>		<b>34,655</b>	45,565
<b>Non-current liabilities</b>			
Lease liabilities		331	986
<b>Net assets</b>		<b>34,324</b>	44,579
<b>EQUITY</b>			
Share capital	<i>14</i>	2,400	2,400
Reserves		31,924	42,179
<b>Total equity</b>		<b>34,324</b>	44,579

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2023*

	Share capital <i>HK\$'000</i>	Share premium* <i>HK\$'000</i>	Other reserve* <i>HK\$'000</i>	Translation reserve* <i>HK\$'000</i>	Accumulated losses* <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2023	2,400	61,680	71,458	(1,000)	(89,959)	44,579
Loss for the period	-	-	-	-	(9,861)	(9,861)
Exchange difference on translation of financial statements of foreign operations	-	-	-	(394)	-	(394)
Other comprehensive expenses for the period	-	-	-	(394)	-	(394)
Total comprehensive expenses for the period	-	-	-	(394)	(9,861)	(10,255)
At 30 June 2023 (unaudited)	<u>2,400</u>	<u>61,680</u>	<u>71,458</u>	<u>(1,394)</u>	<u>(99,820)</u>	<u>34,324</u>
At 1 January 2022	1,600	41,129	71,458	(704)	(78,831)	34,652
Loss for the period	-	-	-	-	(1,765)	(1,765)
Exchange difference on translation of financial statements of foreign operations	-	-	-	1,102	-	1,102
Other comprehensive income for the period	-	-	-	1,102	-	1,102
Total comprehensive (expenses) income for the period	-	-	-	1,102	(1,765)	(663)
At 30 June 2022 (unaudited)	<u>1,600</u>	<u>41,129</u>	<u>71,458</u>	<u>398</u>	<u>(80,596)</u>	<u>33,989</u>

\* The total of these balances represents “Reserves” in the condensed consolidated statement of financial position.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net cash used in operating activities	(5,523)	(3,583)
Net cash used in investing activities	(3,336)	(4,331)
Net cash used in financing activities	<u>(664)</u>	<u>(755)</u>
Net decrease in cash and cash equivalents	(9,523)	(8,669)
Effects of exchange rate changes on cash and cash equivalents	111	1,097
Cash and cash equivalents at beginning of period	<u>27,306</u>	<u>35,423</u>
Cash and cash equivalents at end of period	<u><u>17,894</u></u>	<u><u>27,851</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2023*

## 1. CORPORATE INFORMATION

Gameone Holdings Limited was incorporated in Cayman Islands with limited liability under the Companies Law of Cayman Islands on 14 April 2010. The Company's registered office is located at PO Box 309, Uglan House, Grand Cayman, KY1-1104 Cayman Islands. The Company's principal place of business is located at No. 552 Xuehai Road, Nanyuan, Linping District, Hangzhou, Zhejiang Province, People's Republic of China (the "PRC") and Office Unit No. 07, 5/F. Workingberg Commercial Building, Nos. 41-47 Marble Road, Hong Kong.

The Company's shares were listed on GEM of the Stock Exchange since 13 January 2016.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are to provide software services in the PRC and engage in development, operation, publishing and distribution of online and mobile games in Hong Kong and other countries and regions.

In the opinion of the Directors, the Company's parent and ultimate is Topliu Limited, a company incorporated in the British Virgin Islands.

## 2. BASIS OF PREPARATION AND PRESENTATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure required by the GEM Listing Rules and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 are consistent with those adopted in the Group's audited annual report dated 21 March 2023 (the "**2022 Annual Report**"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023.

The preparation of these unaudited condensed consolidated interim financial statements requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 Annual Report.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated. These unaudited condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 Annual Report. These unaudited condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2022 Annual Report.

The unaudited condensed consolidated interim financial statements have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### **3. CHANGES IN HKFRSs**

#### **Application of new and amendments and interpretation to HKFRSs**

In the current period, the Group has applied, for the first time, the following new and amendments and interpretation to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and
Liabilities arising from a Single Transaction	Liabilities arising from a Single Transaction

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed interim consolidated financial statements.

### **4. SEGMENT INFORMATION**

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. For the six months ended 30 June 2023, the executive directors regularly review revenue and operating results, and divided into two reportable operating segments.

The Group identifies two segments as follows:

- The Software Service Business, which is primarily engaged in providing internet security technical service and E-commerce technical service to the customers in the PRC; and
- The Game Business, which is primarily engaged in development, operation, publishing and distribution of online and mobile games in Hong Kong and other countries and regions.

The executive directors assess the performance of the operating segments based on the operating loss of each reporting segments. The reconciliation of operating loss to loss before income tax is shown in the condensed consolidated statement of profit or loss and other comprehensive income.

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Segment revenue:</b>				
Software Service Business	<b>37,276</b>	5,013	<b>54,467</b>	9,888
Game Business	<b>10,590</b>	16,016	<b>22,892</b>	30,034
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>47,866</b>	21,029	<b>77,359</b>	39,922
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Segments results — operating loss:</b>				
Software Service Business	<b>(549)</b>	(36)	<b>(1,183)</b>	(70)
Game Business	<b>(5,699)</b>	(961)	<b>(8,653)</b>	(1,686)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>(6,248)</b>	(997)	<b>(9,836)</b>	(1,756)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### **Geographical information**

The Group's revenue by geographical location are detailed below.

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>By country/region</b>				
PRC	<b>37,276</b>	5,013	<b>54,467</b>	9,888
Hong Kong	<b>10,219</b>	14,924	<b>21,686</b>	28,069
Others	<b>371</b>	1,092	<b>1,206</b>	1,965
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>47,866</b>	21,029	<b>77,359</b>	39,922
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



## Information about major customers

For the six months ended 30 June 2023, two customers (2022: zero) individually contributed more than 10% of the Group's total revenue, and the revenue contributed by each of these customers for the three months and six months ended 30 June 2023 and 2022 is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
Customer A	25,729	–	34,910	–
Customer B	6,271	–	11,672	–

## 5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>				
Software service income	37,276	5,013	54,467	9,888
Game operation income	10,108	14,893	21,687	28,187
Game publishing income	178	80	227	185
Royalty income	304	905	840	1,379
License fee income	–	138	138	283
	<u>47,866</u>	<u>21,029</u>	<u>77,359</u>	<u>39,922</u>
<b>Other income</b>				
Government grants	296	320	754	320
Interest income	119	1	240	1
Other income	55	56	229	145
	<u>470</u>	<u>377</u>	<u>1,223</u>	<u>466</u>
	<u>48,336</u>	<u>21,406</u>	<u>78,582</u>	<u>40,388</u>

## 6. LOSS BEFORE INCOMETAX

This is arrived at after charging the followings:

	Three months ended 30 June		Six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Amortisation of intangible assets	2,418	266	4,344	443
Royalty expenses	2,424	4,036	4,701	7,195
Depreciation of property, plant and equipment				
— Under cost of services rendered	72	74	143	153
— Under administrative expenses	28	8	43	15
	<u>100</u>	<u>82</u>	<u>186</u>	<u>168</u>
Depreciation of right of use assets	322	336	641	669
Finance cost	11	4	25	9
Staff costs excluding directors' remuneration:				
— Salaries and allowances	2,620	2,065	6,498	4,952
— Contributions on defined contribution retirement plan	132	141	275	283
	<u>2,752</u>	<u>2,206</u>	<u>6,773</u>	<u>5,235</u>

## **7. INCOME TAX EXPENSE**

No provision for PRC Enterprise Income Tax was made as the Group has not generated any tax assessable profits in the PRC for respective periods (2022: Nil).

No Profits Tax for the Taiwan branch has been provided as the Taiwan branch has not generated any tax assessable profits in Taiwan for respective periods (2022: Nil).

No provision for Hong Kong Profits Tax was made as the Group has not generated any tax assessable profits in Hong Kong for respective periods (2022: Nil).

## **8. DIVIDENDS**

No dividends have been paid or declared by the Company or any of the subsidiaries during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## **9. LOSS PER SHARE**

The calculation of basic loss per share is based on the loss attributable to owners of the Company and on the basis of the weighted average number of 240,000,000 ordinary shares (2022: 240,000,000 ordinary shares) in issue.

The number of shares for the purposes of basic loss per share for the six months ended 30 June 2023 has been adjusted for the Rights Issue completed on 28 July 2022.

Diluted loss per share is of the same amount as the basic loss per share as there were no potential dilutive ordinary shares outstanding as at 30 June 2023 (2022: same).

## **10. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2023, the Group spent approximately HK\$280,000 on acquisition of property, plant and equipment (six months ended 30 June 2022: approximately HK\$170,000).

## **11. INTANGIBLE ASSETS**

During the six months ended 30 June 2023, the Group spent approximately HK\$2,707,000 on acquisition of intangible assets (six months ended 30 June 2022: approximately HK\$4,162,000) and no impairment loss on intangible assets has been provided (six months ended 30 June 2022: Nil).

## 12. TRADE RECEIVABLES

	<b>As at 30 June 2023 (Unaudited) HK\$'000</b>	<b>As at 31 December 2022 (Audited) HK\$'000</b>
Trade receivables	<b>4,604</b>	4,349

The Group normally allows credit period within 60 days to its trade debtors. At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis.

The ageing analysis of trade receivables (net of impairment losses), based on the invoice date, as of the end of the reporting period is as follows:

	<b>As at 30 June 2023 (Unaudited) HK\$'000</b>	<b>As at 31 December 2022 (Audited) HK\$'000</b>
Not more than 30 days	<b>3,210</b>	3,933
30–60 days	<b>1,379</b>	317
Over 60 days	<b>15</b>	99
	<b>4,604</b>	4,349

## 13. TRADE PAYABLES

The Group's trade payables mainly due to its suppliers which are aged within 30 days, based on invoice date.

## 14. SHARE CAPITAL

### Authorised share capital

As at 31 December 2022 and 30 June 2023, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.01 each.

### Issued and fully paid

	<b>Number</b>	<b>HK\$'000</b>
Ordinary shares		
As at 31 December 2022 and 30 June 2023	<b>240,000,000</b>	<b>2,400</b>

## 15. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total remuneration of directors and other members of key management during the period was as follows:				
Fees, salaries and staff welfare benefits and discretionary bonus (short-term employee benefits)	1,125	1,551	2,253	4,150
Defined contribution plans (post employment benefits)	6	23	15	53
	<u>1,131</u>	<u>1,574</u>	<u>2,268</u>	<u>4,203</u>

## 16. CAPITAL COMMITMENTS

### (a) Capital commitments

	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Contracted but not provided for — Acquisition of intangible assets	<u>2,792</u>	<u>5,572</u>

### (b) Commitments for investment in an unlisted PRC subsidiary

On 28 December 2021, the Group established a wholly owned subsidiary, Zhejiang Gameone Holding Group Limited (“**Zhejiang Gameone**”) in the PRC with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000). According to the articles of association of Zhejiang Gameone, the aforesaid capital injection into Zhejiang Gameone should be completed on or before 27 December 2070. As at 30 June 2023, the Group has injected approximately RMB4,295,400 (equivalent to HK\$5,000,000) into Zhejiang Gameone.

On 13 September 2022, the Group established a wholly owned subsidiary, Heilongjiang Gameone Network Technology Company Limited (“**Heilongjiang Gameone**”) in the PRC with registered capital of US\$1,000,000 (equivalent to approximately HK\$7,836,700). According to the articles of association of Heilongjiang Gameone, the aforesaid capital injection into Heilongjiang Gameone should be completed on or before 1 September 2032. As at June 30, 2023, the Group has injected US\$1,000,000 (equivalent to approximately HK\$7,836,700) to Heilongjiang Gameone.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

We are a software service provider focusing on the market in the PRC. We provide internet security technical service and E-commerce technical service to the customers. We are also an integrated game developer, operator and publisher focusing on the market in Hong Kong China and other countries and regions. We operate and publish the Group's self/co-developed and licensed games in Hong Kong China and other regions primarily through the Group's game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through the Group's own game platform, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards or vouchers. We consider such integration of upstream and downstream services in the value chain of the game industry has provided us with a better market position.

For the six months ended 30 June 2023, the Group recorded a net loss of approximately HK\$9.9 million as compared to a net loss of approximately HK\$1.8 million for the same period in 2022. During the six months ended 30 June 2023, we allocated more resources in the business segment of E-commerce technical service as there are plentiful market opportunities and high demand in the PRC. Furthermore, we will closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand its game portfolio through introducing more high-quality licensed games with a focus on mobile games, further consolidate our market positioning and enhance marketing efforts.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue was approximately HK\$77.4 million for the six months ended 30 June 2023, representing an increase of approximately 94.0% from approximately HK\$39.9 million for the corresponding period in 2022, which was primarily attributable to an increase in software service income of approximately HK\$44.6 million.

#### **Cost of services rendered**

The Group's cost of services incurred for the six months ended 30 June 2023 was approximately HK\$61.8 million, representing an increase of approximately 190.1% from approximately HK\$21.3 million for the corresponding period in 2022, which was primarily attributable to the increase in software service-related costs during the six months ended 30 June 2023.

## **Gross profit and gross profit margin**

The Group's gross profit for the six months ended 30 June 2023 was approximately HK\$15.6 million, representing a decrease of approximately 16.1% from approximately HK\$18.6 million for the six months ended 30 June 2022. The decrease in gross profit was primarily attributable to the decrease of about HK\$7.1 million in the Group's game operation income from the licensed mobile games.

The Group's gross profit margin for the six months ended 30 June 2023 was approximately 20.2%, representing a decrease of approximately 26.4 percentage points as compared to approximately 46.6% for the six months ended 30 June 2022. The lower gross profit margin was primarily attributable to (i) the decrease in game business income of approximately 23.8%; and (ii) the gross profit margin of software service business for the six months ended 30 June 2023 was approximately 20%, which lowered down the overall gross profit margin of the Group.

## **Selling expenses**

The Group's selling expenses for the six months ended 30 June 2023 were approximately HK\$7.3 million, representing a decrease of approximately 43.0% from approximately HK\$12.8 million for the corresponding period in 2022, which was primarily attributable to a decrease in promotion and advertising expenses of software service business.

## **Administrative expenses**

The Group's administrative expenses for the six months ended 30 June 2023 were approximately HK\$19.4 million, representing an increase of approximately 142.5% from approximately HK\$8.0 million for the corresponding period in 2022, which was primarily attributable to an increase in staff cost during the six months ended 30 June 2023.

## **Loss for the period**

The Group recorded a loss for the six months ended 30 June 2023 of approximately HK\$9.9 million as compared with a loss of approximately HK\$1.8 million for the corresponding period in 2022, which was primarily attributable to (i) the decrease in revenue contribution from the Group's licensed mobile games and self/co-developed games by approximately 23.8% as compared to the same period in 2022; and (ii) the increase in staff cost as compared to the same period in 2022.

## **CAPITAL STRUCTURE**

As at 30 June 2023, the Company's issued share capital was HK\$2.4 million and the number of its issued ordinary shares was 240,000,000 of HK\$0.01 each.

There has been no change in the capital structure of the Group during the six months ended 30 June 2023.

The share capital of the Group only comprises of ordinary shares.

## **LIQUIDITY, FINANCIAL RESOURCES AND FUNDING**

We financed our operations primarily through cash generated from our operating activities and equity financing. During the six months ended 30 June 2023, we did not have any bank borrowings. As at 30 June 2023, we had cash and cash equivalents of approximately HK\$17.9 million (31 December 2022: approximately HK\$27.3 million), which were cash at banks and on hand. No banking facility has been arranged by our Group during the six months ended 30 June 2023.

Our primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save as disclosed herein, there was no material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2023.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

During the six months ended 30 June 2023, there was no significant investment held by the Group.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have any concrete plan for material investments or capital assets as at 30 June 2023.



## **FOREIGN EXCHANGE EXPOSURE**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposures to currency risk arise mainly from its overseas income or payment on royalty and license fee, which are primarily denominated in United States dollar and Japanese Yen. These are not the functional currencies of our principal subsidiaries to which these transactions related. We currently do not have a foreign currency hedging policy. However, we monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. We monitor our trade receivables on an ongoing basis and only trade with creditworthy parties. We consider the credit risk on liquid funds as low because the counterparties are major banks with high credit ratings. We are subject to concentration of credit risk since majority of our trade receivables are due from a limited number of trade debtors which were primarily the third-party game distribution platforms and payment channels. To manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirement.

## **CHARGE ON GROUP ASSETS**

As at 30 June 2023, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (30 June 2022: Nil).

## **CONTINGENT LIABILITIES**

As at 30 June 2023, the Group did not have any significant contingent liabilities (30 June 2022: Nil).

## **COMMITMENTS**

Our contract commitments mainly involve acquisition of intangible assets. As at 30 June 2023, the Group's capital commitments for acquisition of intangible assets were approximately HK\$2.8 million (31 December 2022: approximately HK\$5.6 million).

The Group has commitments for investment in an unlisted PRC subsidiary, Zhejiang Gameone, with registered capital of RMB50,000,000 (equivalent to approximately HK\$61,350,000). The capital contribution shall be made to Zhejiang Gameone on or before 27 December 2070. As at 30 June 2023, the Group has injected approximately RMB4,295,400 (equivalent to HK\$5,000,000) into Zhejiang Gameone.

The Group has commitments for investment in an unlisted PRC subsidiary, Heilongjiang Gameone, with registered capital of USD1,000,000 (equivalent to approximately HK\$7,836,700). The capital contribution shall be made to Heilongjiang Gameone on or before 1 September 2032. As at 30 June 2023, the Group has injected US\$1,000,000 (equivalent to approximately HK\$7,836,700) to Heilongjiang Gameone.

## **SEGMENT INFORMATION**

The analysis of the principal activities of the operations of the Group is set out in note 4 to the condensed consolidated financial statements.

## **INFORMATION ON EMPLOYEES**

As at 30 June 2023, the Group had 47 employees (30 June 2022: 52) working in the PRC, Hong Kong China and Taiwan China. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. Various types of trainings were provided to the employees.

The total staff cost (including remuneration, allowances and mandatory provident funds contributions of the Directors) for the six months ended 30 June 2023 amounted to approximately HK\$9.0 million (30 June 2022: approximately HK\$7.3 million). The dedication and hard work of the Group's staff during the six months ended 30 June 2023 are generally appreciated and recognised.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil)

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in ordinary shares and underlying shares of the Company

Name of Director/ chief executive	Capacity/Nature of interest	Total number of Shares	Approximate percentage of shareholding
Mr. Liu Yi (“ <b>Mr. Liu</b> ”) (Chairman and Chief Executive Officer) (Note 1)	Interest of controlled corporation	95,257,854	39.69%
Mr. Huang Jianying (“ <b>Mr. Huang</b> ”)	Beneficial owner	40,477,501	16.87%

*Note:*

- (1) Topliu Limited is wholly owned by Mr. Liu. By virtue of the SFO, Mr. Liu is deemed to be interested in the Shares in which Topliu Limited is interested.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors or chief executives of the Company, as at 30 June 2023, the following persons (other than Directors or chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Long positions in ordinary shares and underlying shares of the Company

Name of shareholders	Nature of interest	Number of Shares or securities held	Approximate percentage of interest in the Company
Topliu Limited	Beneficial owner	95,257,854	39.69%
Ms. Sun Li ( <i>Note 1</i> )	Interest of spouse	40,477,501	16.87%
Nineyou International Limited ( <i>Note 2</i> )	Beneficial owner	18,367,182	7.65%
Million Treasure Limited ( <i>Note 2</i> )	Interest in controlled corporation	18,367,182	7.65%
Heartland Investment Limited ( <i>Note 2</i> )	Interest in controlled corporation	18,367,182	7.65%

#### Notes:

- (1) Ms. Sun Li is the spouse of Mr. Huang. By virtue of the SFO, Ms. Sun Li is deemed to be interested in the Shares in which Mr. Huang is interested.
- (2) Based on the information provided by Nineyou International Limited (“NYIL”), NYIL is beneficially owned by Heartland Investment Limited as to approximately 44.44%, Wollerton Investments Pte. Ltd. as to approximately 18.96%, Fair Gold International Limited as to approximately 15.61%, Everstar Overseas Holding Ltd. as to approximately 10.04%, Star Fortune Overseas Holding Limited as to approximately 8.0% and Hongxin International Holdings Limited as to approximately 2.95%, all of whom are independent third parties. Wollerton Investments Pte. Ltd. is owned as to approximately 82.35% by Heartland Investment Limited. Heartland Investment Limited is wholly owned by Million Treasure Limited which is also an independent third party.

Save as disclosed above, as at 30 June 2023, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debenture of the Company” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **GEARING RATIO**

As at 30 June 2023, the gearing ratio of the Group, calculated as total liabilities, divided by total assets, was approximately 34.2% (31 December 2022: approximately 30.5%).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2023, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

There was no material acquisitions or disposals during the six months ended 30 June 2023.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the six months ended 30 June 2023.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.68 of the GEM Listing Rules (the “**Required Standard Dealings**”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings throughout the six months ended 30 June 2023. Further the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the six months ended 30 June 2023.

## **CORPORATE GOVERNANCE PRACTICE**

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code during the six months ended 30 June 2023 and up to the date of this announcement except for the below deviation. Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Liu was the chief executive officer (the “**Chief Executive Officer**”) and the chairman of the Board (the “**Chairman**”), the Company has deviated from this Code. However, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. Liu has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise decision-making process and allows for prompt response to the fast-changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting the two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group’s business strategies and is beneficial to the Group.

## **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this announcement, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained public float of 25% as required under the GEM Listing Rules.

## **SHARE OPTION SCHEME**

A share option scheme (the “**Scheme**”) conditionally adopted by the Company was approved by the shareholders on 23 December 2015.

The Scheme became effective for a period of 10 years commencing on the listing date of the Company. Under the Scheme, the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the granting of the option; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a share. An offer shall remain open for acceptance by the Qualifying Grantee concerned for a period of 28 days from the date of the offer (or such period as Board may specify in writing). HK\$1 is payable by the grantee to Company on acceptance of the option offer.

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Scheme, a period of 10 years from the date of the granting of the option).

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue immediately following the completion of the Capitalization Issue and the Placing as defined under the prospectus of the Company dated 31 December 2015. Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

For the six months ended 30 June 2023, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Scheme.

## **AUDIT COMMITTEE**

The Audit Committee was established on 23 December 2015. The chairman of the Audit Committee is Mr. Lu Yi, an independent non-executive Director, other members include Ms. Ngo Mei Kwan and Mr. Jin Baiting. The written terms of reference of the Audit Committee are posted on the Stock Exchange website and on the Company's website.

The Company has complied with Rule 5.28 of the GEM Listing Rules that at least one of the members of the Audit Committee (which must comprise a minimum of three members, the majority of the members of the Audit Committee must be independent non-executive Directors and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2023 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### **EVENTS AFTER THE END OF REPORTING PERIOD**

Excepted as disclosed in this announcement, there is no other material subsequent event undertaken by the Company or by the Group after 30 June 2023 and up to the date of this announcement.

### **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement and the interim report are published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.gameone.com.hk](http://www.gameone.com.hk). The interim report of the Company for the six months ended 30 June 2023 will be dispatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or the Company's registrar, Tricor Investor Services Limited.

By order of the Board  
**Gameone Holdings Limited**  
**Liu Yi**  
*Chairman and Executive Director*

Hong Kong, 8 August 2023

*As at the date of this announcement, the executive Directors are Mr. Liu Yi and Mr. Huang Jianying; and the independent non-executive Directors are Ms. Ngo Mei Kwan, Mr. Jin Baiting and Mr. Lu Yi.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at [www.gameone.com.hk](http://www.gameone.com.hk).*